



Senate

General Assembly

File No. 514

February Session, 2004

Substitute Senate Bill No. 594

Senate, April 7, 2004

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE STATE BOND COMMISSION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 3-20 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (g) (1) With the exception of refunding bonds, whenever a bond act
5 empowers the State Bond Commission to authorize bonds for any
6 project or purpose or projects or purposes, and whenever the State
7 Bond Commission finds that the authorization of such bonds will be in
8 the best interests of the state, it shall authorize such bonds by
9 resolution adopted by the approving vote of at least a majority of said
10 commission. No such resolution shall be so adopted by the State Bond
11 Commission unless it finds that there has been filed with it [(1)] (A)
12 any human services facility colocation statement to be filed with the

13 Secretary of the Office of Policy and Management, if so requested by
14 the secretary, pursuant to section 4b-23; [(2)] (B) a statement from the
15 Commissioner of Agriculture, pursuant to section 22-6, as amended,
16 for projects which would convert twenty-five or more acres of prime
17 farmland to a nonagricultural use; [(3)] (C) prior to the meeting at
18 which such resolution is to be considered, any capital development
19 impact statement required to be filed with the Secretary of the Office of
20 Policy and Management; (D) a statement as to the full cost of the
21 project or purpose when completed and the estimated operating cost
22 for any structure, equipment or facility to be constructed or acquired;
23 and [(4)] (E) such requests and such other documents as it or said bond
24 act require, provided no resolution with respect to any school building
25 project financed pursuant to section 10-287d, as amended, or any
26 interest subsidy financed pursuant to section 10-292k, as amended,
27 shall require the filing of any statements pursuant to [subdivision (1),
28 (2) or (3)] subparagraph (A), (B) or (C) of this [subsection] subdivision
29 and provided further any resolution requiring a capital impact
30 statement shall be deemed not properly before the State Bond
31 Commission until such capital development impact statement is filed.
32 Any such resolution so adopted by the State Bond Commission shall
33 recite the bond act under which said commission is empowered to
34 authorize such bonds and the filing of all requests and other
35 documents, if any, required by it or such bond act, and shall state the
36 principal amount of the bonds authorized and a description of the
37 purpose or project for which such bonds are authorized. Such
38 description shall be sufficient if made merely by reference to a
39 numbered subsection, subdivision or other applicable section of such
40 bond act.

41 (2) The agenda of each meeting shall be made available to the
42 members of the commission not later than five business days prior to
43 the meeting at which such agenda is to be considered and the day of
44 the meeting shall count as one of the business days. Any two members
45 of the commission may place an item on the agenda for consideration
46 by giving notice of such item to the Secretary of the Office of Policy
47 and Management not later than two weeks prior to the meeting at

48 which such item is to be considered. The agenda of each meeting, or
49 any supporting documents included with such agenda, shall include a
50 reference to the statute or public or special act which is the source of
51 any funds to be used for any project on such agenda, including any
52 contingency funds and any reuse or reallocation of funds previously
53 approved for any other use or project, and a notation of the outside
54 source from which any funds for any such project were received, if
55 any. The secretary of the commission shall provide the members with
56 copies of any agreement entered into by the state with any private
57 entity receiving bond funds in connection with any item on the
58 agenda.

59 (3) Upon adoption of a resolution, the principal amount of the
60 bonds authorized therein for such purpose or project shall be deemed
61 to be an appropriation and allocation of such amount for such purpose
62 or project, respectively, and subject to approval by the Governor of
63 allotment thereof and to any authorization for such project or purpose
64 that may otherwise be required, contracts may be awarded and
65 obligations incurred with respect to any such project or purpose in
66 amounts not in the aggregate exceeding such authorized principal
67 amount, notwithstanding that such contracts and obligations may at a
68 particular time exceed the amount of the proceeds from the sale of
69 such bonds theretofore received by the state. In any such resolution so
70 adopted, the State Bond Commission may include provision for the
71 date or dates of such bonds, the maturity of such bonds and,
72 notwithstanding the provisions of any bond act taking effect prior to
73 July 1, 1973, provision for either serial or term, sinking fund or other
74 reserve fund requirements, if any, due dates of the interest thereon, the
75 form of such bonds, the denominations and designation of such bonds,
76 registration, conversion and transfer privileges and the terms of
77 redemption with or without premium and the date and manner of sale
78 of such bonds, provisions for the consolidation of such bonds with
79 other bonds including refunding bonds for the purpose of sale as
80 provided in subsection (h) [hereof] of this section, limitations with
81 respect to the interest rate or rates on such bonds, provisions for
82 receipt and deposit or investment of the good faith deposit pending

83 delivery of such bonds and such other terms and conditions of such
84 bonds and of the issuance and sale thereof as the State Bond
85 Commission may determine to be in the best interest of the state,
86 provided the State Bond Commission may delegate to the Treasurer all
87 or any part of the foregoing powers in which event the Treasurer shall
88 exercise such powers until the State Bond Commission, by adoption of
89 a resolution prior to exercise of such powers by the Treasurer shall
90 elect to reassume the same. Such powers shall be exercised from time
91 to time in such manner as the Treasurer shall determine to be in the
92 best interests of the state and the Treasurer shall file a certificate of
93 determination setting forth the details thereof with the secretary of the
94 State Bond Commission on or before the date of delivery of such
95 bonds, the details of which were determined by the Treasurer in
96 accordance with such delegation.

97 (4) On or before January 1, 2005, and annually thereafter, the
98 Secretary of the Office of Policy and Management shall submit a report
99 to the joint standing committee of the General Assembly having
100 cognizance of matters relating to finance, revenue and bonding which
101 report shall update, for all outstanding bond allocations, the statement
102 required under subparagraph (D) of subdivision (1) of this subsection.

103 (5) The State Bond Commission may authorize the Commissioner of
104 Economic and Community Development to defer payments of interest
105 or principal, or a portion thereof, in the case of a troubled loan, as
106 defined in subdivision (1) of subsection (e) of section 8-37x, as
107 amended, made by the commissioner under any provision of the
108 general statutes.

109 Sec. 2. Subsection (a) of section 32-383 of the general statutes is
110 repealed and the following is substituted in lieu thereof (*Effective from*
111 *passage*):

112 (a) All provisions of section 3-20, as amended by this act, or the
113 exercise of any right or power granted thereby which are not
114 inconsistent with the provisions of sections 32-382 to 32-385, inclusive,
115 are hereby adopted and shall apply to all bonds authorized by the

116 State Bond Commission pursuant to said sections, and temporary or
117 interim notes in anticipation of the money to be derived from the sale
118 of any such bonds so authorized may be issued in accordance with
119 said section 3-20 and from time to time renewed provided no filings
120 required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of
121 subdivision (1) of subsection (g) of section 3-20 shall be required. Such
122 bonds shall mature at such time or times not exceeding thirty years
123 from either their respective dates or the estimated completion date of
124 the stadium facility as referred to in subdivision (5) of section 32-397,
125 as may be provided in or pursuant to the resolution or resolutions of
126 the State Bond Commission authorizing such bonds. None of said
127 bonds shall be authorized except upon a finding by the State Bond
128 Commission that there has been filed with it a request for such
129 authorization, which is signed by the secretary stating such terms and
130 conditions as said commission, in its discretion, may require. Such
131 bonds issued pursuant to section 32-382 shall be general obligations of
132 the state and the full faith and credit of the state of Connecticut are
133 pledged for the payment of the principal of and interest on such bonds,
134 including temporary or interim notes, as the same become due, and
135 accordingly and as part of the contract of the state with the holders of
136 such bonds, appropriation of all amounts necessary for punctual
137 payment of such principal and interest is hereby made including with
138 respect to interest on temporary or interim notes and principal thereof
139 to the extent not funded with renewals thereof or bonds, and the
140 Treasurer shall pay such principal and interest as the same become
141 due.

142 Sec. 3. Subsection (c) of section 32-614 of the general statutes is
143 repealed and the following is substituted in lieu thereof (*Effective from*
144 *passage*):

145 (c) All provisions of section 3-20, as amended by this act, or the
146 exercise of any right or power granted thereby which are not
147 inconsistent with the provisions of this section are hereby adopted and
148 shall apply to all bonds authorized by the State Bond Commission
149 pursuant to said section 3-20, and temporary or interim notes in

150 anticipation of the money to be derived from the sale of any such
151 bonds so authorized may be issued in accordance with said section 3-
152 20 and from time to time renewed provided no filings required by
153 [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1)
154 of subsection (g) of said section 3-20 shall be required. Such bonds
155 shall mature at such time or times not exceeding twenty years from
156 either their respective dates. None of said bonds shall be authorized
157 except upon a finding by the State Bond Commission that there has
158 been filed with it a request for such authorization, which is signed by
159 the Secretary of the Office of Policy and Management stating such
160 terms and conditions as said commission, in its discretion, may
161 require. Such bonds issued pursuant to this section shall be general
162 obligations of the state and the full faith and credit of the state of
163 Connecticut are pledged for the payment of the principal of and
164 interest on such bonds, including temporary or interim notes, as the
165 same become due, and accordingly and as part of the contract of the
166 state with the holders of such bonds, appropriation of all amounts
167 necessary for punctual payment of such principal and interest is
168 hereby made including with respect to interest on temporary or
169 interim notes and principal thereof to the extent not funded with
170 renewals thereof or bonds, and the State Treasurer shall pay such
171 principal and interest as the same become due.

172 Sec. 4. Subsection (c) of section 32-616 of the general statutes is
173 repealed and the following is substituted in lieu thereof (*Effective from*
174 *passage*):

175 (c) All provisions of section 3-20, as amended by this act, or the
176 exercise of any right or power granted thereby which are not
177 inconsistent with the provisions of this section are hereby adopted and
178 shall apply to all bonds authorized by the State Bond Commission
179 pursuant to said section 3-20, and temporary or interim notes in
180 anticipation of the money to be derived from the sale of any such
181 bonds so authorized may be issued in accordance with said section 3-
182 20, as amended, and from time to time renewed provided no filings
183 required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of

184 subdivision (1) of subsection (g) of said section 3-20 shall be required.
185 Such bonds shall mature at such time or times not exceeding twenty
186 years from either their respective dates. None of said bonds shall be
187 authorized except upon a finding by the State Bond Commission that
188 there has been filed with it a request for such authorization, which is
189 signed by the Secretary of the Office of Policy and Management stating
190 such terms and conditions as said commission, in its discretion, may
191 require. Such bonds issued pursuant to section 32-614 shall be general
192 obligations of the state and the full faith and credit of the state of
193 Connecticut are pledged for the payment of the principal of and
194 interest on such bonds, including temporary or interim notes, as the
195 same become due, and accordingly and as part of the contract of the
196 state with the holders of such bonds, appropriation of all amounts
197 necessary for punctual payment of such principal and interest is
198 hereby made including with respect to interest on temporary or
199 interim notes and principal thereof to the extent not funded with
200 renewals thereof or bonds, and the State Treasurer shall pay such
201 principal and interest as the same become due.

202 Sec. 5. Subsection (d) of section 32-652 of the general statutes is
203 repealed and the following is substituted in lieu thereof (*Effective from*
204 *passage*):

205 (d) All provisions of section 3-20, as amended by this act, and the
206 exercise of any right or power granted thereby which is not
207 inconsistent with the provisions of this section, are hereby adopted
208 and shall apply to all bonds authorized pursuant to this section, and
209 temporary or interim notes in anticipation of the money to be derived
210 from the sale of any such bonds so authorized may be issued in
211 accordance with said section 3-20 and from time to time renewed
212 provided no filings required by [subdivisions (1) and (2)]
213 subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said
214 section 3-20 shall be required.

215 Sec. 6. Subsection (e) of section 32-653 of the general statutes is
216 repealed and the following is substituted in lieu thereof (*Effective from*

217 *passage*):

218 (e) All provisions of section 3-20, as amended by this act, and the
219 exercise of any right or power granted thereby which is not
220 inconsistent with the provisions of this section are hereby adopted and
221 shall apply to all bonds authorized pursuant to this section and
222 temporary or interim notes in anticipation of the money to be derived
223 from the sale of any such bonds so authorized may be issued in
224 accordance with said section 3-20 and from time to time renewed
225 provided no filings required by [subdivisions (1) and (2)]
226 subparagraphs (A) and (B) of subdivision (1) of subsection (g) of
227 section 3-20 shall be required.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>from passage</i>

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill has no fiscal impact because: (1) the documents mentioned are already provided to the Office of Policy and Management (OPM) as part of bond requests submitted by agencies or are readily available from the agencies; (2) any items placed on a meeting agenda by two of the commission's members could be voted down when the State Bond Commission meets; and (3) any workload increase to OPM associated with preparing an annual report for outstanding bond allocations can be accommodated within existing staff and resources.

OLR BILL ANALYSIS

sSB 594

AN ACT CONCERNING THE STATE BOND COMMISSION**SUMMARY:**

This bill:

1. establishes additional procedures for compiling and issuing State Bond Commission agendas,
2. requires the Office of Policy and Management (OPM) secretary to provide more information before the commission approves bond allocations for agenda items,
3. requires the secretary to provide annual cost updates on outstanding bond allocations, and
4. makes technical changes.

EFFECTIVE DATE: Upon passage

COMMISSION AGENDAS

The bill allows any two of the commission's members to place an item on a meeting agenda by notifying the OPM secretary no later than two weeks before the meeting at which the item is to be considered. Under current law, only the governor can place items on the bond commission agenda. The bill also requires the meeting agenda to be available to the members at least five business days before the meeting. It counts the meeting day as one of the five.

By law, the bond commission agenda must include certain information and supporting documents for agenda items. The bill requires the OPM secretary to also give commission members a copy of any agreement between the state and a private entity that will receive bond proceeds in connection with an agenda item.

STATEMENTS REQUIRED BEFORE BOND ALLOCATION

The bill adds to the statements that must be filed with OPM before the commission may approve a bond allocation for a particular project or

purpose. Under the bill, in addition to statements concerning human service facility colocation and farmland and capital development impacts, OPM must also have received a statement of the (1) full completed cost of the project or purpose receiving the allocation and (2) estimated operating costs of any structure, facility, or equipment being built or acquired.

ANNUAL COST UPDATE

Starting by January 1, 2005, the bill requires the OPM secretary to file an annual report with the Finance, Revenue and Bonding Committee that updates, for all outstanding bond allocations, (1) the full completed cost of the project or purpose that received the allocation and (2) the estimated operating costs of any structure, facility, or equipment being built or acquired.

BACKGROUND

State Bond Commission

The State Bond Commission is a 10-member executive-legislative committee consisting of the governor, treasurer, comptroller, attorney general, the OPM secretary, public works commissioner, and the co-chairs and ranking members of the Finance, Revenue and Bonding Committee. The commission meets periodically (usually monthly) to allocate bonds the General Assembly has authorized to particular projects. The governor chairs the commission and controls its agenda. The OPM secretary acts as the commission's secretary and keeps its records and minutes.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 27 Nay 17